

UNITED STATES INTERNATIONAL TRADE COMMISSION
Washington, DC 20436

**MEMORANDUM ON PROPOSED TARIFF LEGISLATION
of the 109th Congress¹**

[Date approved: April 20, 2006]²

Bill No. and sponsor: H.R. 3112 (Mr. Mark Stephen Kirk of Illinois)

Proponent name, location: The Bradford Group, Niles, IL.

Other bills on product (109th Congress only): None.

Nature of bill: Temporary duty suspension through December 31, 2008.

Retroactive effect: None.³

Suggested article description(s) for enactment (including appropriate HTS subheading(s)):

The bill as drafted would create a new temporary HTS heading; however, the subject products are already eligible for duty-free entry under heading 9902.04.99 through December 31, 2006, under the following description:

Decorative plates, whether or not with decorative rim or attached sculpture; decorative sculptures, each with plate or plaque attached, and decorative plaques each not over 7.65 cm in thickness; all the foregoing of resin materials and containing agglomerated stone, put up for mail order retail sale, whether for wall or tabletop display and each weighing not over 1.36 kg together with their retail packaging (provided for in subheading 3926.40.00).

Check one: ☐ Same as that in bill as introduced.
 ☒ Different from that in bill as introduced (see Technical comments section).

Product information, including uses/applications and source(s) of imports:

The existing duty suspension covers a range of collectible items fabricated from plastic resins and filled with small embedded stone in various combinations. The subject items consist of decorative plates, sculptures, and plaques, which may have miniature figures attached. Examples include Disney® character signature plates and decorative items that may be sold under exclusive licenses. The goods are ordered by customers postpaid using the internet and other means, and are typically imported prepackaged in protective styrofoam containers from manufacturers in China. The containers are designed to be suitable for shipment to customers through the U.S. postal system via the proponent's domestic warehouse in Bensonville, IL, where mailing labels are attached. The proponent imports the subject merchandise from China, although other domestic mail order firms may also import subject products from

¹ Industry analyst preparing report: Ray Cantrell (202-205-3362); Tariff Affairs contact: Jan Summers (202-205-2605).

² An electronic copy of this memorandum is available at http://usitc.gov/tata/hts/other/rel_doc/bill_reports/index.htm.

³ The subject product is already eligible for duty-free entry through Dec. 31, 2006, under HTS heading 9902.04.99; instead of adding an additional HTS heading, this bill should be amended to delete the current expiration year of "2006" from heading 9902.04.99 and to insert the new expiration "2008".

China and other countries.

Estimated effect on customs revenue:

HTS subheading: 3926.40.00					
	2005	2006	2007	2008	2009
Col. 1-General rate of duty	5.3%	5.3%	5.3%	5.3%	5.3%
Estimated value <i>dutiable</i> imports	\$8,200,000	\$8,600,000	\$9,000,000	\$9,400,000	\$9,800,000
Customs revenue loss 1/	\$434,600	\$455,800	\$477,000	\$498,200	\$519,400

1/ The estimated revenue loss data for 2005-2006 reflect the existing duty suspension under heading 9902.04.99. These data also exclude architectural miniatures which are currently included under heading 9902.04.99, effective through December 31, 2006, because the proponent has indicated a desire to remove these articles from the scope of the provision.

Source of estimated dutiable import data: Commission and industry estimates.

Contacts with domestic firms/organizations (including the proponent):

Name of firm/organization	Date contacted	US production of same or competitive product claimed?	Submission attached?	Opposition noted?
		(Yes/No)		
The Bradford Group (Proponent) Mr. Joel Platt, 847-581-8351; 847-530-2040	11/10/2005	No	No	No
Camio Guild Mr. Chuck Harley, 805-388-1223	11/16/2005	No	No	No
The Danbury Mint Mr. Ted Stanley, 203-853-2000	11/11/2005	No	No	No
Department 56 (Lennox) (952) 944-5600	11/16/2005	No	No	No
The Walt Disney Company Ms. Sherry Murphy, 818-560-5997 Ms. Jessica Moore, 202-222-4765 jessica.moore@disney.com Mr. Richard Bates, 202-222-4740	11/15/2005	No	No	No
Goebel North America (Berta Hummel) Ms. Christy Morrison, 609-730-8944 Ms. Anna Kientzler ex 8978 Ms. Susan Mann, 609-730-8953	11/16/2005	No	No	No

The Thomas Kinkade Company Mr. Robert Murray, 800-366-3733, ext. 5090	11/15/2005	No	No	No
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Technical comments: ⁴

We note that the bill should be redrafted merely to alter the expiration date in the existing heading, 9902.04.99, rather than to create a duplicate and potentially overlapping provision. We further note that official data on the volume of entries that has been made under 9902.04.99 to date are not available under the constraints of the existing reporting system. Although importers must indicate affirmatively their claims for temporary duty provisions, the data are folded into the overall imports under the affected permanent HTS provisions and thus cannot be tracked. One official of Customs and Border Protection has expressed concern, in that it is possible millions of dollars of subject goods may be entering under the existing HTS category and article description.⁵ Moreover, it is suggested that Customs officials should be consulted as to the proper HTS classification of the subject goods.⁶ If it is agreed that expansion of the current provision is needed, the expression “or 6810.99” could be added to the parenthetical tariff reference in heading 9902.04.99. Based on the request of the proponent, the coverage of the duty suspension heading would need to be amended to delete architectural miniatures from the scope. This change could be accomplished by amending heading 9902.04.99 to delete “architectural miniatures, whether or not put up in sets;”. Last, we note that the expression “put up for mail order retail sale” requires interpretation, and we are willing to work with Customs and the proponent if additional clarification is considered desirable.

⁴ The Commission may express an opinion on the HTS classification of a product to facilitate consideration of the bill. However, by law, only the U.S. Customs Service is authorized to issue a binding ruling on this matter. The Commission believes that the U.S. Customs Service should be consulted prior to enactment of the bill.

⁵ Staff contact with Ms. Joan Mazzola, National Import Specialist, New York, NY, November 18, 2005; 646-733-3023.

⁶ Staff contact with Mr. Jacob Bunin, National Import Specialist, New York, NY, November 15, 2005 (646-733-3027). Mr. Bunin questions whether some of the subject items in this bill containing stone particles should be classified under HTS 6810.99.

109TH CONGRESS
1ST SESSION

H. R. 3112

To suspend temporarily the duty on certain decorative plates, decorative sculptures, decorative plaques, and architectural miniatures.

IN THE HOUSE OF REPRESENTATIVES

JUNE 29, 2005

Mr. KIRK introduced the following bill; which was referred to the Committee on Ways and Means

A BILL

To suspend temporarily the duty on certain decorative plates, decorative sculptures, decorative plaques, and architectural miniatures.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. CERTAIN DECORATIVE PLATES, DECORATIVE**
4 **SCULPTURES, DECORATIVE PLAQUES, AND**
5 **ARCHITECTURAL MINIATURES.**

6 (a) IN GENERAL.—Subchapter II of chapter 99 of
7 the Harmonized Tariff Schedule of the United States is
8 amended by inserting in numerical sequence the following
9 new heading:

“	9902.09.51	Decorative plates, whether or not with decorative rim or attached sculpture; decorative sculptures, each with plate or plaque attached, and decorative plaques each not over 7.65 cm in thickness; architectural miniatures, whether or not put up in sets; all the foregoing of resin materials and containing agglomerated stone, put up for mail order retail sale, whether for wall or tabletop display and each weighing not over 1.36 kg together with their retail packaging (provided for in subheading 3926.40.00).	Free	No change	No change	12/31/2008	”.
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1 (b) EFFECTIVE DATE.—The amendment made by
2 subsection (a) applies to articles entered, or withdrawn
3 from warehouse for consumption, on or after the 15th day
4 after the date of the enactment of this Act.

